

## Issue Brief: The Human Development Side of Economic Recovery in Oregon

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Economic recovery from the effects of the Covid-19 will be long and complex in Oregon. This brief provides an overview of the major issues associated with the human resource development needs of workers affected by the current economic downturn. Issues are explained and suggestions offered for how Oregon might support economic recovery for its most affected citizens.

### Understanding the nature of workers displaced by COVID-19

The large-scale unemployment wrought by Covid-19 has left few groups of workers untouched. As those who lost jobs pursue employment once again, it will be important to think of them in terms of three relatively distinct groups: those who will be hired back to their previous jobs; those who will make a lateral move, either within their prior occupational field or to a comparable occupation; and those who will switch to a new occupation or career.

While all three groups will need assistance, the type of assistance will vary by group. The first group, those going back to their original jobs, will need short-term bridge support of the sort offered by the Cares Act and other similar programs. Some may need access to short-term loans as well.

The second group will need access to information on available openings in occupational fields that are the same or similar to their previous jobs. They will require support similar to the first group.

The third group, those making a career change, is of most interest in terms of this brief because they will need longer-term and more significant support from state government generally and the educational system specifically, both in picking a new career and in getting trained with new skills for a specific occupation within a chosen career pathway.

It is worth bearing in mind that heightened unemployment will be around for at least several years, and that each year more young people will be entering the workforce for the first time, seeking entry-level employment. This will add to the challenge of reemploying those who lost their jobs in the pandemic-triggered recession. Competition will be particularly fierce between newly minted workers and those who had only recently entered the workforce before becoming unemployed and therefore have little experience or seniority.

A final consideration is that pandemic-related job loss has affected different communities differently. In addition to geographic differences, some communities have been affected more severely than others. This is particularly true of communities of color and low-income communities, which have borne more of the brunt of the disease and whose members are more likely to have been employed in fields where their former jobs will not return soon or ever.

## Understanding the differences in recovery in different parts of the state

In addition to considering differences in the workforce, it is important to take into account how the recovery will play out in different regions of the state and for different communities, specifically people of color, those from low-income backgrounds, and those residing outside of the Portland metropolitan area.

Each region of the state has experienced job loss differently and will recover in different ways and at different paces. No one grand plan will work for the entire state. Factors that will vary by region and group include:

- i. type of job lost (e.g., hospitality and tourism, small business, manufacturing)
- ii. likelihood of those specific jobs returning
- iii. availability of training options locally, either in person or online
- iv. ability of region to generate entirely new jobs in new career areas
- v. flexibility/adaptability, experience and education level of local workforce
- vi. mobility of local workforce

As noted previously, communities of color and the working poor in particular have been affected disproportionately and in multiple ways by the pandemic. Job losses have been greater for lower skill, lower wage jobs than professional positions. Infection rates have been higher. Education levels are generally lower. These factors will increase

the need for locally oriented educational opportunities that are community based to the maximum degree possible.

Special attention will need to be paid to these communities throughout the state, and extra, well-designed and targeted programs including help exploring new career options with better future prospects will need to be broadly available to them. It will be more challenging to generate investment in and creation of new jobs in many of these communities. Tax reduction programs and economic opportunity zones that create incentives for job creation are examples of strategies to stimulate economic growth in communities of color and where concentrations of the working poor exist. Enhanced access to high-speed internet is also foundational to employment growth in areas outside of major cities.

## Characteristics of each region will have a substantial effect on the region's recovery

It seems likely that the Portland metro region will rebound the quickest for a variety of reasons including the overall higher education and skill level of the workforce, the diversity of the economy, and the vast entrepreneurial experience present in the region with business startups. By contrast, recovery will be markedly slower and more challenging in regions that rely on hospitality and tourism jobs, which applies to large areas of the state. If regions outside the metro area do not recover fairly quickly, many workers and their families from these communities are likely to relocate to the Portland metro area, where economic opportunities will be relatively more plentiful. If this occurs, the effects on rural Oregon could be severe, accelerating population decline that has been occurring in many of these communities for decades.

“Future-proofing” the workforce will be particularly important.

The natural tendency will be simply to get as many people employed as quickly as possible, which makes perfect sense. However, the challenge that many young people and even some adults will face is that they lack or are weak in basic employability skills such as self-management and general work readiness.

Programs will need to be created to develop these skills more explicitly and incorporate them as a component in all occupational training programs as well as credential and degree programs. Doing so will help “future-proof” these workers to a greater degree in the event any subsequent economic disruption or job loss occurs.

Many lists of “21<sup>st</sup> century skills” have been developed. Most include skills such as problem solving, critical thinking, researching and data analytics, among others. In addition, another set of skills delineates the mindset and behaviors workers will need to demonstrate in occupations and careers that will increasingly require greater self-management and initiative. Some of these skills that today’s and tomorrow’s workers need to master to be more future proof include the following:

- Being self-aware by knowing one’s interests, passions, skills, and ambitions. This enables better career choices and greater success in a chosen career path.
- Setting goals. An ambitious, self-aware worker can set goals and work to achieve them. This type of self-management is crucial in a rapidly changing work environment.
- Being motivated. For success in a competitive employment economy, workers need to have a positive mindset focused on achieving their, and their employer’s, goals.
- Persisting. As the workplace and employment picture continue to evolve, workers will confront numerous challenges. They will need to be able to persist when faced with the need to develop new skills that may not come easily to them and to function effectively in rapidly changing work environments.
- Monitoring performance. The workplace is increasingly one where workers need to monitor their own performance and have a realistic view of how well they are really doing, and then take control of improving their performance.
- Asking for help. Part of self-monitoring performance is knowing when one is stuck and how to get help. It is important in a changing workplace to be able to realize when help is needed to add a skill, solve a problem, or resolve an issue with a co-worker.
- Showing self-efficacy. This means knowing how to control the things that one is able to control in order to achieve work-related goals. It is the opposite of the disempowered, passive worker who tends to find reasons why things can’t be done or goals achieved.

## Individuals will need a range of supports

In addition to governmental agencies offering programs designed to mitigate unemployment, it will be important to acknowledge the need for psychological support

for individuals whose lives and identities have been fundamentally disrupted. For many, the psychological challenge of transitioning to a new work setting or an entirely new occupation or career will be daunting. Transitions of this nature can be the most stressful time in people's lives.

Displaced workers will need psychological support adapting to new roles successfully. Support should be in the form of strategies and techniques to manage life transitions. Those strategies include stress management, self-knowledge and self-reflection, goal setting, developing and using social networks, understanding the demands of a job change or new career, and dealing with loss.

## Actions the state can take

Oregon has at its disposal the means to help its citizens through this extraordinarily challenging time. In particular, displaced workers can be given support through programs and resources that state government is uniquely situated to provide.

### Make it easy to explore career options

State government has the ability to help those affected by pandemic-related job loss to find out about the options that exist for careers. In particular, job exploration resources need to be directed to communities where workers are most likely to be unaware of job options. If displaced workers do not have access to career exploration tools, many will simply take the first opportunity that comes along, which will lead to employment instability over time because many will quickly pursue an option for which they are not well suited simply because the option is available.

Many programs and resources for job exploration exist already. A first step will be to ascertain the degree to which current efforts and resources are working or not working. Existing resources (e.g., O\*NET, OCIS, WSOs) may already be sufficient. The issue then becomes one of delivery. A potential solution would be the creation of a single integrated platform that lets individuals explore a broad range of career options and training programs. This may be as simple as collecting all the resources on this topic in one central location. The platform should include both in-state and out-of-state resources. The site needs to be made available to schools and community outreach groups and all organizations that can engage students and displaced workers in career exploration.

## Create incentives for educational organizations to reach out to displaced workers

Educational service providers require incentives to reach out beyond the confines of their institutional and geographic boundaries to engage all Oregonians who are in need of career development options. The unprecedented challenge posed by the economic upheaval created by the Covid-19 virus is to get more services to more people rapidly, directly, and conveniently. In particular, educational options and programs need to be directed to rural communities and to people of color in underserved communities.

The educational institutions of the state have had uneven success in offering outreach programs beyond their campuses, although many such programs have been attempted. Additional high-quality development and training options need to be created, but degree and certificate programs alone, even new and exciting ones, are not enough. Education service providers will need to coordinate to offer career exploration options and to provide advising/counseling as displaced workers make the choice to pursue a new career or to upskill. Simultaneously, providers will need to work in partnership with local WSOs to enhance their visibility and use.

In other words, providers will need to go beyond simply offering programs and seeing who signs up to reaching out to those who are in greatest need of support and will likely have the greatest difficulty finding a new occupation or career successfully. This will require a strong commitment to regionalization more than campus-based programs along with a commitment to bring programs to the people who most need them. This can also include distance learning as an option. In addition, the state will need to provide more opportunities for broadband access along with computers available for purchase at discounted prices or that can be used at libraries or checked out from libraries or schools, particularly in communities of color, and low-income and rural communities.

## Support job creation in non-metro areas

Areas outside the metro area will face the greatest challenges as they attempt to rebuild their economies. It will be important to create incentives for workers outside the metro area to remain local or to pursue job opportunities outside the Portland metro area. Assuming the state is successful in stimulating job growth outside the metro area, it may be possible even to encourage some displaced workers in the metro area to move to non-metro areas where new opportunities are being created. This can be accomplished by offering incentives such as relocation assistance, rent subsidies,

and access to free training and bridge support for metro workers to move to non-metro areas.

Displaced workers in non-metro areas will need additional help such as forgivable loans, educational grants, and access to child care while attending training programs. Such supports help encourage them to remain in selected non-metro communities as economies recover (e.g., coastal tourism, wine country tourism, eastern Oregon agriculture)

Achieving this goal will require large-scale job creation in non-metro areas. Many factors need to be in place for this to occur. Among them are universal access to high speed broadband; grants and loans for business startups; recruitment of new employers to non-metro areas; business incubators; and convenient access to the education, training, and technical support necessary to get new businesses up and running. As a part of this strategy, the state should also offer regionally attuned courses in entrepreneurship and small business startup that will lead to new businesses that are adapted to the local economy.

## Final note

Any recovery strategy will be more successful if it treats displaced workers as independent actors rather than objects to be acted upon. This implies programs that empower individuals to make decisions about their own lives rather than relying on a one-size-fits-all approach such as focusing entirely on training workers for jobs in a particular field. Oregon's economy is diverse and innovative, which is one of its strengths. It is not, for the most part, as over-reliant on one industry as are many states. This strength should be exploited by encouraging startups and innovation, particularly, as noted, outside the Portland metro area.

Oregon will likely recover faster and more completely than many other states for a variety of reasons including relatively low rate of infection, willingness of the state to take decisive actions to control the spread of the virus, general cooperation by the populace and employers to help mitigate the spread of the virus, and, as noted, aspects of its economy and workforce that will help support rapid job creation as the virus subsides.

State government needs to complement these strengths with nuanced, contextualized policies and programs that meet the needs of all affected Oregonians with particular attention to people of color and those in low-income groups. The entire process needs

to be driven by data and by emerging best practices, with information, experience, and expertise drawn from throughout the nation and the world.